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### PAYROLL BULLETIN (5-91)

TO: All State Agencies, Departments, Boards, Commissions and Universities  
SUBJECT: College Savings Plan

Public Act 86-164 created a College Savings Program for the benefit of the people of the State of Illinois to save and invest in anticipation of their children attending an institution of higher learning. Public Act 86-1428 amended the State Salary and Annuity Withholding Act to allow State of Illinois employees and retirees to have savings for this purpose deducted from their pay or annuity. This program is being administered by the Illinois Student Assistance Commission (ISAC).

#### PAYROLL PROCEDURES

Deductions for the College Savings Program can be placed only in the miscellaneous amount fields on the payroll vouchers and tape. These fields are as follows:

PAYROLL VOUCHER		PAYROLL TAPE POSITIONS		
CODE FIELDS	AMOUNT FIELDS	TYPE CODE	ACTUAL CODE	AMOUNT
72	73	405	406-407	408-414
74	75	415	416-417	418-424
76	77	425	426-427	428-434
78	79	435	436-437	438-444

There are three investment companies that ISAC has selected. They are as follows:

<u>INVESTMENT FIRM</u>	<u>ACTUAL DEDUCTION CODE</u>
Twentieth Century Investors, Inc.	01
Benham Capitol Management Group	02
First Chicago	03

The miscellaneous code fields on the payroll voucher and tape are three (3) position fields. The actual deduction codes for the College Savings Program must be preceded by the type code 9 followed by the actual code. For example, the code is 901 if the deduction is for Twentieth Century Investors, Inc., 902 if the deduction is for Benham Capitol Management Group and 903 if the deduction is for First Chicago. The Comptroller trailer record code is 25. For example, 25-001 if the trailer record is for Twentieth Century Investors, Inc., 25-002 if the trailer record is for Benham Capitol Management Group and 25-003 if the trailer record is for First Chicago. An employee may invest with more than one investment firm. The deduction will be identified by an "L" on the payroll warrant stub.

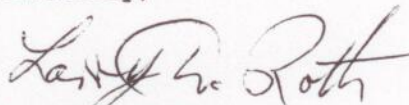
The deductions for the College Savings Program are after tax deductions. This means they are not to be treated as tax deferred savings. All interest income reporting will be done by the investment firms.

Agencies have or will soon receive material from ISAC regarding the College Savings Program. This material will describe the plan, give income tax information and how to obtain additional information.

This Payroll Bulletin may be reproduced for internal distribution.

Questions regarding payroll procedures for the College Savings Program should be referred to Dan Steven or Nancy Smith at (217) 782-4758.

Sincerely,

A handwritten signature in dark ink, appearing to read "Larry D. Roth", is written over a horizontal line.

Larry D. Roth  
Director - State Accounting